

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 74 – SB 17

February 17, 2009

SUMMARY OF AMENDMENT (002679): Deletes the language of the original bill; revises the qualifications for insurance companies who are issuers of surety bonds which are used as collateral by state depositories to secure certain state funds.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- According to the Comptroller, Kansas Bankers Surety is the only qualified provider under current statute. However, this firm has given notice that it is no longer participating in this business sector. As a result, there are no qualified and willing providers under current law.
- According to the Comptroller, this bill expands the guidelines for becoming a surety bond issuer. As a result, it is believed that at least two new issuers will become eligible to participate under the guidelines proposed in this bill.
- According to the Comptroller of the Treasury, any related costs would be borne by the bank depositories exclusively. As a result, any increase to state expenditures is considered not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

/rnc

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